

**CORRECTED MINUTES  
ROCKFORD POLICE PENSION BOARD  
MARCH 21, 2013**

**MEMBERS PRESENT:** Jeff Nielsen, President  
Marcia Mueller, VP  
Terry Peterson, Secretary  
Matt Williams, Assist. Secretary  
Scott Laue, Trustee

**ABSENT:**

**ALSO PRESENT:** Roberta Holzwarth & Al Mezny – Holmstrom & Kennedy

**GUESTS:** None

**STAFF:** Ted Dutkiewicz, Finance  
Linda Wlaznik, Finance

The March 21, 2013 Rockford Police Pension Board convened at City Hall 425 E. State St., Jeff Nielsen called the meeting to order at 8:07 a.m.

**MINUTES**

Motion by Laue and seconded by Mueller to approve minutes of the February 21, 2013 Board meeting pending the correction of "scribner's" to "scrivener's". APPROVED.

Motion by Mueller and seconded by Laue to approve closed session minutes of February 21, 2013. APPROVED.

Peterson joined the meeting at 8:12 a.m.

**PUBLIC COMMENT**

NONE

**CASH & INVESTMENT REPORT**

Dutkiewicz stated that the fund was currently at \$162.2 million; slightly overweight in equities.

Motion by Mueller and seconded by Laue to approve withdrawal of \$950,000 from Kayne Anderson for cash needs. APPROVED.

Ayes: Nielsen, Mueller, Peterson, Williams, and Laue

Nays: None

Dutkiewicz stated that the board was provided with the revised redlined copy of the investment policy.

Motion by Mueller and seconded by Williams to approve the investment policy dated March 21, 2013, which includes the revision on page 8. APPROVED.

Motion by Mueller and seconded by Laue to approve Purchases and Sales.

Ayes: Nielsen, Mueller, Peterson, Williams, and Laue

Nays: None

## **BILLS**

Motion by Mueller and seconded by Laue to approve March City Services of \$9,300.00. APPROVED.

Ayes: Nielsen, Mueller, Peterson, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve February postage charges of \$248.86. APPROVED.

Ayes: Nielsen, Mueller, Peterson, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy, P.C. for February attorney fees for general in the amount of \$2,565.00. APPROVED.

Ayes: Nielsen, Mueller, Peterson, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy P.C. for February attorney fees for the Haske-Whisenand disability matter in the amount of \$135.00. APPROVED.

Ayes: Nielsen, Mueller, Peterson, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy, P.C. for February attorney fees for the Soria disability matter in the amount of \$955.00, which includes \$855.00 for services and \$100.00 for disbursements. APPROVED.

Ayes: Nielsen, Mueller, Peterson, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy, P.C. for the Lesmeister disability matter in the amount of \$652.00. APPROVED.

Ayes: Nielsen, Mueller, Peterson, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Williams to approve payment to Marquette Associates in the amount of \$9,750.00. APPROVED.

Ayes: Nielsen, Mueller, Peterson, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve travel reimbursement (IPPPA Conference) to Jeff Nielsen in the amount of \$63.26. APPROVED.

Ayes: Mueller, Peterson, Williams, and Laue

Nays: None

Abstain: Nielsen

Motion by Mueller and seconded by Williams to approve travel reimbursement (IPPFA Conference) to Scott Laue in the amount of \$64.40. APPROVED.

Ayes: Nielsen, Mueller, Peterson, and Williams

Nays: None

Abstain: Laue

Motion by Mueller and seconded by Laue to approve travel reimbursement (IPPFA Conference) to Linda Wlaznik in the amount of \$35.37. APPROVED.

Ayes: Nielsen, Mueller, Peterson, Williams, and Laue

Nays: None

## ATTORNEY'S REPORT

Attorney Mezny recommended revising the disability application to include the name, address, and phone numbers of the treating physicians for both the condition and the historical physicians. This could potentially decrease the time for the hearing process by 30 days. **Another possibility is to authorize Holmstrom & Kennedy to start the discovery process as soon as a disability application is received by the City, even if the application has not yet been signed by the Chief or presented to the Board. The Board could authorize the discovery as a regular expense.**

The board discussed the non-disability application submitted by Peter Drnek.

Motion by Mueller and seconded by Laue to authorize the City to contact Attorney Holzwarth regarding disability applications to move forward with discovery. APPROVED.

Attorney Holzwarth confirmed that the amount the board requested the city contribute to the Police Pension Fund was included in the 2013 budget. Nielsen suggested sending the city a thank you letter for meeting the contribution requirement.

Attorney Holzwarth stated that the discovery information was received for the Lesmeister disability matter. Mueller mentioned a network group that can be hired to coordinate physicians for disability matters. Nielsen recommended contacting the group for more information.

Motion by Mueller and seconded by Williams to approve the selection of Doctor's Rossiter, Levitan, and Harris as physicians for both Amado Soria and Aaron Lesmeister disability cases. APPROVED.

Attorney Holzwarth recommended tabling the matter of the policy booklet to May. Nielsen suggested major policies be included in the booklet on separate pages.

## NEW BUSINESS

Motion by Mueller and seconded by Williams to approve refund of contributions to Jared Clark in the amount of \$5,131.54.

Ayes: Nielsen, Mueller, Peterson, Williams, and Laue

Nays: None

Wlaznik stated that the auditor from the Department of Insurance discovered some errors in the pension calculations. When James Mays qualified the first time for an annual raise he was put

under another retiree that had an altered formula in the cell. As a result, the non-taxable portion was doubled; the error has been corrected. Charles McDonald also was affected by the same error. Mueller questioned the possibility of more errors. Wlaznik stated the auditor examined every individual that had retired from 2010 to current during the audit. Dutkiewicz stated that a cross check was done. Wlaznik stated that anyone that qualified for an annual increase for the first time had the spreadsheet amounts checked against their pension calculation. The pension calculation is provided by the Department of Insurance. Nielsen questioned the errors with Berglund and Buntjer. Wlaznik explained that the calculation should have been for 8% longevity instead of 10%.

Nielsen stated that the board should have been made aware of the errors prior to the pensioners. Wlaznik stated that letters were sent to Mays and McDonald. Attorney Holzwarth stated that the board should request reimbursement of the amounts that have been overpaid and offer to handle it through a deduction from future benefits over time. Attorney Holzwarth stated that the board would need to take action to reduce the pension and return it to the correct amount. Each affected pensioner should be notified of the correction.

Matt Williams exited the meeting at 9:22 a.m.

Attorney Holzwarth suggested the board consider the cost in pursuing the collection of the overpayments.

Peterson requested the corrected amount of the pension for James Mays. Dutkiewicz stated that the pension should have been \$7,781.52 monthly; **the incorrect pension amount was \$8,146.74.** The incorrect pension for McDonald was \$5,012.00; it should have been \$4,940.18.

Motion by Peterson and seconded by Mueller to adjust the pension for James Mays to \$7,781.52 monthly effective February 2013. APPROVED.

Ayes: Nielsen, Mueller, Peterson, and Laue

Nays: None

Motion by Peterson and seconded by Mueller to adjust the pension for Charles McDonald to \$4,940.18 effective February 2013. APPROVED.

Ayes: Nielsen, Mueller, Peterson, and Laue

Nays: None

Motion by Peterson and seconded by Mueller to adjust the pension for Cheryl Buntjer to \$4,038.02 effective March 2013. APPROVED.

Ayes: Nielsen, Mueller, Peterson, and Laue

Nays: None

Motion by Peterson and seconded by Mueller to adjust the pension for Paula Berglund to \$3,037.39 effective March 2013. APPROVED.

Ayes: Nielsen, Mueller, Peterson, and Laue

Nays: None

Attorney Holzwarth stated that she would draft a letter to the overpaid pensioners. The board discussed the different options to present to the overpaid pensioners. Attorney Holzwarth stated that the overpaid pensioners would receive a letter requesting an agreement to a repayment plan or a specified payment plan.

Motion by Mueller to request reimbursement of overpayment on a schedule concurrent to the timeframe of overpayment through a payroll deduction. FAILED.

Ayes:

Nays: Nielsen, Mueller, Peterson, and Laue

Peterson expressed concern with the timeframe in which a pensioner is required to repay the money. Further discussion ensued.

Motion by Mueller and seconded by Laue authorizing Attorney Holzwarth to prepare a letter to the four pensioners advising them of the overpayment and further advising that the amount of the overpayment will be deducted from future benefit payments commencing in May 2013 based on the period of overpayment. If the pensioners have any concerns they should discuss their concerns with Attorney Holzwarth prior to the next board meeting April 18<sup>th</sup>. APPROVED.

Ayes: Nielsen, Mueller, Peterson, and Laue

Nays: None

Wlaznik stated that the board members are fine with the training hours required.

Dutkiewicz stated that the city contracted with Standard & Poor's to utilize their directory of consultants. The search was narrowed further to include consultants in Illinois and the consultants that had government plans. Mueller suggested sending out the request for proposal to the consultants on the list.

Mueller asked who was nominated for the active trustee positions. Wlaznik stated that Rich Eissens, Matt Williams, and Mike McDonald were nominated.

## **PAYROLL**

Motion by Mueller and seconded by Laue to approve the March estimated payroll amount of \$1,124,485.92. APPROVED.

Ayes: Nielsen, Mueller, Peterson, and Laue

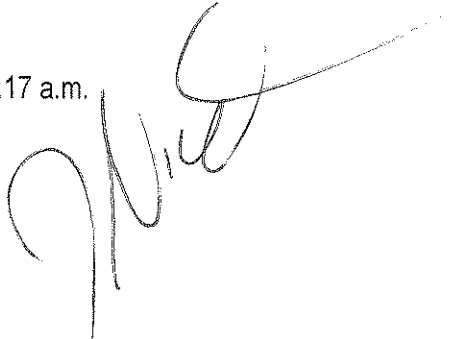
Nays: None

Motion by Mueller and seconded by Peterson to approve the February actual payroll amount of \$1,125,324.67. APPROVED.

Ayes: Nielsen, Mueller, Peterson, and Laue

Nays: None

A motion to adjourn was made and seconded at 10:17 a.m.

A handwritten signature in black ink, appearing to be 'J. Nielsen', is written over the text of the adjournment motion.